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Quebec judge approves lawsuit over stock losses

Class action alleges Jitec shares boosted by former CEO's trading with 3 brokers

BY BERTRAND MAROTTE, MONTREAL

A Quebec judge gave the go-ahead yesterday to a class-action suit — the first of its kind in the province — claiming $42.4-million in damages from the former head of high-tech company **Jitec Inc.** and three securities firms.

Mr. Justice Pierre Viau of the Quebec Superior Court ruled that there is sufficient evidence to warrant proceeding with a class-action suit against former Jitec CEO Benoît Laliberté, Jitec — now known as **Avantage Link Inc.** — CIBC World Markets Inc., Canaccord Capital Corp. and Leduc & Associates Securities (Canada) Ltd.

Three investors had alleged in a previously filed petition for the suit that Mr. Laliberté artificially boosted stock in the Montreal-area computer services company by trading heavily in the shares through brokerage accounts, but failing to report the insider transactions to regulators.

The allegations also said the three firms at which Mr. Laliberté opened accounts should have known the activities were illegal.

The investors allege they lost hundreds of thousands of dollars as a result of stock price manipulations.

Evidence presented before the judge in the application for class-action status included allegedly misleading press releases that overstated the company's technology and misrepresented certain agreements with third parties as done deals, as part of the alleged stock-boosting efforts by Mr. Laliberté.

"I'm very happy. I've been working for two years on this," said Yves Beaudoin, one of the petitioners.

Mr. Laliberté, who no longer has any ties to the company, said he's eager for the proceedings to begin so he can finally clear his name.

Mr. Beaudoin alleges he lost $130,000 selling short 20,700 Jitec shares between July 26, 2000, the day Jitec was listed on the Montreal Exchange, and Aug. 2, 2000, at an average price of $4.55. (Shorting involves borrowing shares and selling them, in hopes that the share price will drop, at which time the short seller profits by buying back the stock and replacing what was borrowed.)

"We typically don't comment on any issues before the courts," said Stephen Forbes, spokesman for CIBC World Markets.

"Our view is that the claim is completely unfounded and we're going to vigorously defend ourselves."

Officials at Avantage Link, Canaccord and Leduc were not available to comment yesterday.

The Quebec Securities Commission launched an investigation and indefinitely banned Mr. Laliberté from trading in Jitec shares two years ago. The ban was subsequently lifted.

Mr. Laliberté and companies related to him severed all ties with Jitec two years ago.

FRED LUM/THE GLOBE AND MAIL

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'Enforcement is really the last resort'

REGULATOR *from page B1*

The fine for market manipulation can in fact go much higher than $1-million. The regulator body can recommend a penalty of up to three times the amount that the rule breaker made from the violation.

This is in line with the Ontario Securities Act, which also allows for maximum fines of which ever number is greater: $1-million or three times the amount of the financial gain from the offence.

The new guidelines are national in scope and will apply to all market participants trading on the TSX and its small-capitalization market, the TSX Venture Exchange.

"It's safe to say that these rules are as tough as any in North America," said Marie Oswald, vice-president of investigations and enforcement.

Market Regulation Services is independent of the exchanges, although it is a 50-50 joint venture of the TSX and the Investment Dealers Association of Canada. Neither the TSX nor the IDA has the ability to influence the market regulator's actions. The regulatory body does not oversee Montreal's derivatives market, which is still self-regulating.

Although there can be some areas of regulatory overlap in certain cases, Market Regulation Services deals specifically with people trading on the exchanges.

The IDA, on the other hand, deals with problems at the dealers, such as misleading financial advice or unauthorized trading. The Ontario Securities Commission, meanwhile, oversees all market participants in Ontario, including Market Regulation Services itself.

But unlike the market regulator, the OSC currently doesn't have the ability to impose direct fines, but instead rules on settlements that often have a financial penalty attached and takes rule breakers to court where a judge imposes fines.

'It's safe to say that these rules are as tough as any in North America.'

Despite the fines, enforcement remains a difficult task. With a staff of 80 in total, Market Regulation Services uses computer programs to alert the regulator of unusual trades based on a stock's previous behaviour. The regulator will frequently cancel trades that have been performed with minor infractions.

However, persistent violations and more serious, deliberate offences will cause the regulator to conduct a more detailed investigation.

"We have limited resources, so we've got to focus those on the serious cases," Mr. Atkinson said.

He added that once violations reach that level of seriousness, regulators have failed in their task.

"An enforcement action is probably the most inefficient way to regulate the market," Mr. Atkinson said. By the time you bring an enforcement action against someone, the damage has already been done and imposing a fine only gives the industry a black eye, he said.

Instead, the regulator tries for greater intervention and interaction with the market, as well as educating traders.

"Enforcement is really the last resort," he said.

Fording is Canada's largest and lowest-cost producer of export metallurgical coal. Its three mines in southeastern British Columbia produce high-quality metallurgical coal for the international steel industry. The Company's two Alberta mining operations supply thermal coal to electric utilities. Fording is also the world's largest producer of the industrial mineral wollastonite.

APPOINTMENT NOTICE | Fording

Mr. Richard Dean

Mr. Jason Bleyens

Mr. Gordon Eberth, *Vice President, Marketing, is pleased to announce the following appointments:*

Effective August 1, 2002, **Mr. Richard Dean** assumed the position of Marketing Manager, responsible for the Company's marketing activities in North America and other select global markets.

Mr. Dean is a graduate of McGill University and holds a bachelor of science degree in geology. He joined Fording in 1978 and has since held a number of increasingly senior positions including general foreman, mine services, and senior mine engineer at Fording River Operations; chief engineer, and most recently senior engineer, coal quality, at Greenhills Operations.

Effective September 1, 2002, **Mr. Jason Bleyens** assumed the position of Marketing Manager, responsible for Fording's marketing activities in Asia. He will also manage planning revenue and tonnage, and coordinate the Company's transportation-related activities.

Mr. Bleyens graduated from the University of Calgary and holds a bachelor of commerce degree. He joined Fording in 2001 as a senior accountant before assuming the position of assistant manager, marketing, earlier this year.

Havergal College

Fraser Latta

The Board of Governors of Havergal College is pleased to announce the appointment of Fraser Latta as Board Chair. Mr. Latta, a graduate of the Richard Ivey School of Business at the University of Western Ontario, comes to the position with a wealth of experience.

He has held various senior positions with a number of Canadian financial institutions in investment and commercial banking, mergers and acquisitions before joining Cott Corporation in 1989 as Executive Vice President and Chief Operating Officer.

In late 2001, Mr. Latta retired as Vice Chairman from Cott and now acts as a private investor, while serving on the boards of various private and public companies.

He has served on both the Havergal Board of Governors and The Havergal College Foundation since 1994, including a term as Chair of the Audit and Finance Committee.

Established in 1894, Havergal College prepares young women to make a difference in their chosen pursuits by enabling each girl to develop her full intellectual, creative, spiritual and physical potential.

HAVERGAL COLLEGE

Food and Consumer Products Manufacturers of Canada

Timothy H. Penner

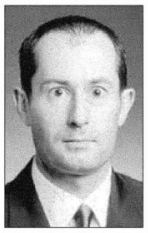
The Food and Consumer Products Manufacturers of Canada (FCPMC) is pleased to announce the appointment of Timothy H. Penner, President of Procter & Gamble Inc.(P&G) to the position of Chair of the FCPMC Board of Directors.

Mr. Penner joined Procter & Gamble Canada 24 years ago. He began his career in marketing, first in Laundry Products and later in Health Care. From 1993-96, Mr. Penner was Vice President of Health and Beauty Care in the UK and Ireland. From 1996-99, he was Vice President of P&G's North American Tissue/Towel business. Mr. Penner returned to Canada in 1999, as President of P&G Inc.

Mr. Penner is on the Board of Governors for Wilfrid Laurier University, Cabinet of the Metro Toronto United Way, Board of Directors for The Conference Board of Canada and Advisory Board of the Institute for Competitiveness and Prosperity. He is currently Chair of the Electronic Commerce Council of Canada and on the Board of Corporations Supporting Recycling.

FCPMC represents over 150 Canadian-operated member companies that manufacture and market products that sell through grocery, foodservice, drug, convenience and mass merchandise distribution channels. FCPMC's mission is to enhance the growth and competitiveness of the food and consumer products manufacturing industry.

Methanex Corporation



Michael Macdonald

Pierre Choquette, President and Chief Executive Officer of Methanex Corporation, is pleased to announce the appointment of Michael Macdonald to the position of Senior Vice President, Technology effective October 1, 2002.

In his new position, Michael is responsible for providing leadership and direction for all Methanex technology matters and fuel cell initiatives.

Michael has 20 years of chemical industry experience with Methanex and its predecessor companies. Most recently he was responsible for leading Methanex's overall strategy development, and prior to that, Michael led the Company's investor relations activities.

Michael has an honours degree in Chemical and Process Engineering from the University of Canterbury, New Zealand.

In his new capacity, Michael replaces Ron Britton, who has been appointed to the position of President and CEO of Fuel Cells Canada.

Methanex is the world's largest producer and marketer of methanol. Methanex shares are listed for trading on the Toronto Stock Exchange in Canada under the trading symbol "MX" and on the Nasdaq National Market in the United States under the trading symbol "MEOH." Methanex can be visited at www.methanex.com.

METHANEX

Atlas Cold Storage Income Trust

Andrew W. Peters, MBA, CMA

Mr. Patrick A. Gouveia, President and Chief Executive Officer, and the Board of Directors of Atlas Cold Storage Income Trust are pleased to announce the promotion of Mr. Andrew W. Peters, MBA, CMA, to Executive Vice President and Chief Financial Officer.

Mr. Peters has been involved in all aspects of the growth of Atlas since its Canadian inception in 1996. Mr. Peters joined Atlas in 1996 as Chief Financial Officer following 10 years of senior financial management experience in the public refrigerated warehousing and distribution industry. Mr. Peters is a Certified Management Accountant and holds a Master of Business Administration degree from the University of Toronto.

Atlas Cold Storage Income Trust through its operating arm, Atlas Cold Storage, is an integral part of the supply chain for the frozen and chilled food industry. Through a network of 33 facilities with over 130 million cubic feet of space, Atlas Cold Storage provides temperature-controlled storage and logistics services to processors, distributors, food service providers and retailers across North America. Atlas Cold Storage is Canada's largest and North America's fourth largest integrated temperature-controlled distribution network.

ATLAS COLD STORAGE

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